

MUTUAL RELEASE AND SETTLEMENT AGREEMENT

This Mutual Release and Settlement Agreement (the "Agreement") is entered into, effective, final and binding upon the day that the final signature is placed on the Agreement, between Open Space Legal Defense Fund, a non-profit organization; Heriberto Diaz; and Daniel Duran (hereinafter collectively "Open Space") and the County of Los Angeles, a division of the State of California, Los Angeles County Regional Park and Open Space District; and the Director of the County of Los Angeles Department of Parks and Recreation (collectively hereinafter, the "County"). Open Space and the County will be collectively referred to as the "Settling Parties."

WHEREAS, Open Space brought a lawsuit against the County on October 27, 2010, Los Angeles County Superior Court Case No. BS128995, and subsequently, on May 3, 2011, it filed a First Amended Petition entitled Open Space Legal Defense Fund, a non-profit organization; Heriberto Diaz; and Daniel Duran, Petitioners/Plaintiffs v. City of Whittier; City Council of City of Whittier; Community Conservancy International; Esther Feldman; The County of Los Angeles; Los Angeles County Regional Park and Open Space District; Director of the County of Los Angeles Department of Parks and Recreation; and Does 1-50, Respondents/Defendants; Matrix Oil Corporation; Clayton Williams Energy, Inc., Puente Hills Landfill Native Habitat and Preservation Authority, Real-Parties-in-Interest (the "Litigation");

WHEREAS, this Litigation challenges a lease ("Lease") between Matrix Oil Corporation and Clayton Williams Energy, Inc., on one hand, and the City of Whittier on the other hand, to allow oil drilling and extracting on a 1,290 acre parcel in the Whittier Hills ("Oil Drilling Project") which was purchased with Proposition A funds pursuant to a November 1993 project agreement ("Project Agreement") with the Los Angeles County Regional Park and Open Space District ("District").

WHEREAS, Open Space's Litigation states six causes of action. The fifth cause of action of the Litigation ("Fifth Cause of Action"), Violation of the County Lobbyist Ordinance, is against the County of Los Angeles alone. The Fifth Cause of Action alleges that the County of Los Angeles Executive Office erred in determining that Esther Feldman, CCI and the City of Whittier did not violate the County of Los Angeles' Lobbyists Ordinance (County Code Chapter 2.160) ("Lobbyist Ordinance") by failing to timely register.

WHEREAS, the Settling Parties now desire to terminate with prejudice the Fifth Cause of Action if the contingencies set forth in Section 2 are met, and to fully and finally resolve and settle all of the differences between them regarding the Fifth Cause of Action by way of a compromise as set forth in this Agreement.

NOW, THEREFORE, the Settling Parties, and each of them, agree as follows:

Section 1. *Mutual Release*

In consideration of the mutual promises and releases granted herein, and if the contingencies set forth in Section 2 are met, the Settling Parties hereby release and discharge each other and each of their respective successors, assigns, agents, attorneys, employees, representatives, trustees, affiliates, related persons, predecessors, and successors, from any and all claims, demands, damages, debts, liabilities, obligations, contracts, agreements, causes of action, suits and costs, of whatever nature, character, form or description, whether known or unknown, anticipated or unanticipated, which the releasing Settling Parties have or may hereafter have or claim to have against each other by reason of any matter, act or omission arising from or related to any contract, liability, matter, cause, fact, or thing arising out of or having any connection with the events alleged or which could have been alleged based on the Lobbyist Ordinance as alleged in the Fifth Cause of Action of the Litigation.

Section 2. *Dismissal with Prejudice of the Fifth Cause of Action of the Litigation*

The County through the Executive Officer of the Board of Supervisors ("Executive Officer") agrees to re-open the investigation regarding whether there was a violation of the Lobbyist Ordinance by Esther Feldman, Feldman and Associates, Community Conservancy International ("CCI"), or the City of Whittier; and if the Executive Officer concludes that there was a violation of the Lobbyist Ordinance resulting from a failure by anyone to register as a lobbyist, lobbying firm, or lobbyist employer relating to the Oil Drilling Project; and if the Executive Officer thereafter issues a written decision stating there was a violation of the Lobbyist Ordinance (the "Decision"), Open Space will dismiss the Fifth Cause of Action of the Litigation with prejudice within 15 days of being sent written notice of the Decision.

Section 3. *Open Space Will Not Use the Executive Officer's Decision Against the County or use the Decision to Try to Prevent the Oil Drilling Project.*

If the County's Executive Officer determines that a violation of the Lobbyist Ordinance occurred, except for Open Space's causes of action for disgorgement or the related claims under Code of Civil Procedure 526a as an aid to the disgorgement cause of action, alleged in the Litigation against the City of Whittier, Esther Feldman, and CCI, Open Space will not seek any remedies whatsoever in the Litigation or in any other legal or administrative proceedings pursuant to or related to the Lobbyist Ordinance as a result of the Decision.

The Settling Parties will not use the Decision, any violation of the Lobbyist Ordinance regarding the Oil Drilling Project, or this Agreement in any way whatsoever against each other except for the enforcement of this Agreement. Without limiting the generalities of the foregoing, Open Space will not use the Decision or any violation of the Lobbyist Ordinance against the County directly or indirectly, or against anyone else, in an attempt to prevent the Oil Drilling Project or prevent any approval required for the Oil Drilling Project. Further, Open Space will not use the Decision or any violation of the Lobbyist Ordinance regarding the Oil Drilling Project to assert that a penalty should be imposed on Esther Feldman, Feldman and Associates,

the City of Whittier, or CCI. In addition, Open Space shall not use the Decision or any violation of the Lobbyist Ordinance regarding the Oil Drilling Project to assert that the Project Agreement is void, voidable, or should be suspended, terminated, or has been breached in any way by anyone. Also, Open Space will not use the Decision or any violation of the Lobbyist Ordinance regarding the Oil Drilling Project to attack the Lease. Lastly, pursuant to the Lobbyist Ordinance, the Board of Supervisors has the sole discretion to determine the penalty should one be imposed.

Section 4. *Attorney Fees and Costs*

The Settling Parties agree that they shall each bear their own costs and attorney fees in relation to the Fifth Cause of Action of the Litigation.

Section 5. *Changes of Fact; Waiver of Civil Code Section 1542*

The Settling Parties acknowledge they may hereafter discover facts different from, or in addition to, those which they now believe to be true with respect to any and all of the matter released herein. Nevertheless, the Settling Parties hereby agree that each of the other terms of the release set forth above shall be and remain effective in all respects, notwithstanding the discovery of such different or additional facts.

The Settling Parties specifically waive the benefit of the provisions of section 1542 of the Civil Code of the State of California, and any similar provision of law. Section 1542 provides as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

Section 6. *No Admission of Liability*

The Settling Parties have entered into this Agreement solely to compromise and settle disputed claims. The Settling Parties do not admit, concede or otherwise acknowledge liability in the Litigation. This Agreement shall not be construed as an admission against interest on the part of any of the Settling Parties.

Section 7. *Entire Agreement*

This Agreement contains the entire understanding and agreement among the Settling Parties with respect to the matters referred to herein. No other representations, covenants, undertakings or other prior or contemporaneous agreements, oral or written, respecting those

matters, which are not specifically incorporated herein, may be deemed in any way to exist or to bind any of the Settling Parties. The Settling Parties acknowledge that they have not executed this Agreement in reliance on any such promise, representation or warranty. The terms of this Agreement shall not be interpreted against or in favor of any of the Settling Parties on the ground that they participated in the drafting of this Agreement.

Section 8. *Authority to Execute*

Each person signing this Agreement warrants and represents that he or she has full authority to execute the agreement on behalf of the Party on whose behalf he or she is signing. This Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which shall constitute a single contract. The signatures on this Agreement may be transmitted by facsimile or electronically in lieu of a hard copy, and such faxed or electronic signatures shall be deemed to be an original signature.

Section 9. *Ownership of Released Claims*

The Settling Parties warrant and represent that none of the matters or rights released herein has been assigned or transferred, in whole or in part, to any person, organization, partnership or any other entity, nor has any person, organization, partnership or any other entity become subrogated to such rights.

Section 10. *Reliance on Advice of Counsel*

Each of the Settling Parties represents and warrants that, in connection with the negotiation and execution of this Agreement, they have been represented by counsel, that they have executed this Agreement after receiving the advice of such counsel, that they have read and understand the provisions and terms of this Agreement, and that they have had an adequate opportunity to conduct an independent investigation of all facts and circumstances with respect to all matters that are the subject of this Agreement.

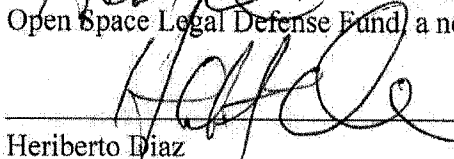
Section 11. *Choice of Law*

This Agreement is made under and shall be construed and enforced in accordance with the laws of the State of California.

DATED: February 3, 2012


Open Space Legal Defense Fund, a non-profit organization

DATED: February 3, 2012



Heriberto Diaz

DATED: February 2, 2012


Daniel Duran

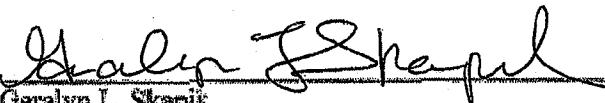
DATED: February 6, 2012

County of Los Angeles, Los Angeles County Regional
Park and Open Space District, and the Director of the
County of Los Angeles Department of Parks and
Recreation

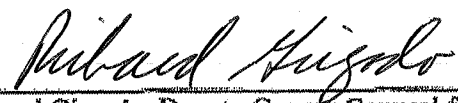
By: 
Richard Gargado
Deputy County Counsel
Its Counsel

APPROVED AS TO FORM AND CONTENT

Dated: February 3, 2012


GERALYN L. SKANIK
Counsel for Open Space Legal Defense fund. Heriberto
Diaz, and Daniel Duran.

Dated: February 6, 2012


Richard Gargado, Deputy County Counsel for
County of Los Angeles, Los Angeles County Regional Park
and Open Space District, and the Director of the County of
Los Angeles Department of Parks and Recreation